

STATE OF IDAHO
LAND USE PERMIT 2-Year
NO. LU _____

This Land Use Permit (referred to as "PERMIT") is made and entered into by and between the **STATE BOARD OF LAND COMMISSIONERS**, acting by and through the **IDAHO DEPARTMENT OF LANDS** (referred to as "**PERMITTOR**"), whose mailing address is 300 N. 6th Street, Boise, Idaho, PO Box 83720, 83720-0050, and _____ (referred to as "**PERMITTEE**"), whose mailing address is _____.

This PERMIT is issued to PERMITTEE for and in consideration of the promises, conditions and covenants made herein, and for other good and valuable consideration, the receipt of which is hereby acknowledged. The agreed facts, terms, and conditions of this Permit are as follows:

1. PURPOSE. PERMITTEE was the last Lessee of record of that certain cottage site lot pursuant to the Residential Cottage Site Lease #R _____, pertaining to real property more particularly described as _____, Idaho (the "Premises").

1.1. PERMITTEE has caused to be installed upon the Premises certain personal property that would constitute improvements and fixtures if the same party owned both the underlying land and the improvements and fixtures (the "Personal Property"), as well as other personal belongings that may be on the Premises, including, but not limited to, furniture, furnishings, equipment, tools and supplies (the "Personal Belongings").

This PERMIT authorizes PERMITTEE's to occupy the Premises, and for the Personal Property to remain on the Premises temporarily to allow time for:

- (1) removal of the Personal Property, as set forth in paragraph 6 below, or
- (2) an auction for the sale of the Premises, as set forth in paragraph 7 below; or
- (3) a third party to apply for and execute a long-term lease for the Premises, as set forth in paragraph 8 below; or

1.2. Upon execution of this PERMIT, the PERMITTOR will advertise the Premises as available for lease or sale. PERMITTEE shall cooperate in PERMITTOR's marketing of the Premises and the Personal Property.

1.3. During the term of this PERMIT, PERMITTEE shall remove the Personal Property from the Premises, as set forth in more detail in paragraph 6 below, unless, during the term:

- (1) a third party agrees to purchase the Personal Property from PERMITTEE pursuant to a sale of the Premises, as set forth in more detail in paragraph 6 below;
- (2) a third party applies for and executes a long-term lease for the Premises with the Personal Property and purchases the Personal Property in accordance with Idaho Code Section 58-308 as set forth in more detail in paragraph 7 below; or,

2. TERM. The term of this PERMIT shall be 24 months, beginning upon execution and ending June 30, 2017, unless terminated sooner because:

- (1) PERMITTEE removes of the Personal Property, and PERMITTOR verifies such removal, as set forth in paragraph 15 below;
- (2) a third party agrees to purchase the Personal Property from PERMITTEE, as set forth in more detail in paragraph 7 below;
- (3) a third party executes and pays rent for a long-term lease for the Premises and purchases the Personal Property in accordance with Idaho Code Section 58-308 as set forth in more detail in paragraph 8 below;
- (4) PERMITTOR terminates for PERMITTEE's default.

3. PERMIT FEE. The permit fee ("the "Permit Fee") shall be four percent (4%) of the appraised land value as established by the Department's appraisal review process. The Permit Fee accrues and shall be due and payable in full in advance, on or before January 1 of each year; or, in the alternative, provided one-half (½) of the first year's portion of the Permit Fee is paid on or before January 1, of each year, then PERMITTEE may pay the one-half (½) of the second year's portion of the Permit Fee due on or before June 1, of each year together with a deferred Permit Fee charge in the amount of three percent (3%) of the deferred payment. PERMITTOR shall pay the Permit Fee to PERMITTOR without abatement, offset, or deduction of any kind. In the event the Premises is leased or sold as provided herein, prior to the end of PERMIT term, a portion of the Permit Fee paid in advance will be refunded to PERMITTEE on a rata basis as of the date of the closing any such sale or the execution and receipt of rent for any such lease. The deferred Permit Fee charge shall not be refundable.

4. TITLE COMMITMENT FEE. Concurrent with the execution of this PERMIT, PERMITTEE must pay an \$800.00 title commitment fee to LESSOR, subject to refund as set forth in paragraph 7 below. PERMITTEE must remove clouds on title as more thoroughly described in paragraphs 6, 7, and 8, below.

5. LIQUIDATED DAMAGES. The parties agree that it would be impracticable and extremely difficult to ascertain the amount of actual damages caused by PERMITTEE'S failure or refusal to remove the Personal Property from the Premises and restore the Premises to is pre-lease condition, as set forth in paragraph 6 below, and that and that liquidated damages herein represent a fair, reasonable, and appropriate estimate thereof. The parties agree that PERMITTEE'S failure or refusal to remove the Personal Property from the Premises and restore the Premises to is pre-lease condition shall result in liquidated damages owing by PERMITTEE to PERMITTOR in the amount of twenty thousand dollars \$20,000.00, without PERMITTOR being required to present any evidence of the amount or character of actual damages sustained by reason thereof. Such liquidated damages are intended to represent estimated actual damages and are not intended as a penalty, and PERMITTEE shall pay them to PERMITTOR without limiting PERMITTEE's right to terminate this permit for default as provided elsewhere herein. Nothing herein limits PERMITTOR'S right to pursue any other legal or equitable remedies for damage or loss suffered as a result of PERMITTEE'S or PERMITTEE'S agents' activities on the sites or in connection with this PERMIT.

6. REMOVAL OF PERSONAL PROPERTY AND REMOVAL OF CLOUDS ON TITLE IF NO CLOSING OF SALE OF PREMISES AND NO EXECUTION OF LONG-TERM LEASE. Unless, during the term, a third party offers to purchase the Personal Property from PERMITTEE, and completes PERMITTOR's application to purchase the Premises at auction, as set forth in more detail in paragraph 7 below, and such application culminates in the successful closing of the sale of the Premises, or a third party executes a long-term lease for the Premises, as set forth in more detail in paragraph 8 below, then PERMITTEE shall perform the obligations in paragraphs 6.1 and 6.2:

6.1. Remove the Personal Property from the Premises and restore the Premises to as nearly as is reasonably practical to its pre-lease condition, all at PERMITTEE's sole cost and expense. Restoring the Premises to as nearly as is reasonably practical to its pre-lease condition prior to any leasing activities upon the Premises shall mean, but shall not necessarily be limited to the

following: 1) all Personal Property, including, but not limited to, all structures, improvements and fixtures shall be removed; 2) any damage to the land as a result of the removal of the Personal Property shall be remedied (such remedies may include, but shall not be limited to, filling in and smoothing any holes left by removal of the Personal Property, including foundations; and the land left relatively flat, without mounds of dirt resulting from any cause such as digging around a foundation); 3) fences shall be removed and holes filled and smoothed; 4) any utilities provided to the property may remain provided they are functional and are capped and stubbed at the property line in accordance with the utility's requirements or the current version of the International Building Code; 5) septic tanks shall be removed; 6) wells shall be decommissioned or capped in accordance with all applicable laws, rules and ordinances, including, but not limited to, IDAPA 37.03.10, rules of the Idaho Department of Water Resources, Idaho Code § 42-238, including the decommissioning of wells set forth in § 42-238(2), and, a well driller's report is filed in accordance with § 42-238(11); OR, in the alternative, PERMITTEE may request in writing that the well be allowed to continue without being decommissioned as set forth above; and, PERMITTOR may allow the well to remain in place without being decommissioned and may prescribe reasonable requirements for allowing the well to for public health, safety and welfare; 7) water lines shall be closed; 8) there shall be no open pipes, drains, tubes which would present any danger to persons or animals; 9) any tank or other object buried in the Premises shall be removed and holes filled; 10) driveways, cement patios, sidewalks and landscaping must be removed from the Premises unless PERMITTEE requests that PERMITTOR allow such improvements to remain, and PERMITTOR consents in writing; and 11) all garbage, refuse, wood piles, etc., shall be removed from the Premises. If, at any time prior to the end of the term of this Permit PERMITTEE removes PERMITTEE's Personal Property and Personal Belongings and restores the Premises to as nearly as is reasonably practical its pre-lease condition, then the PERMITTOR, upon accepting the condition of the Premises, shall refund any pre-paid fees on a monthly pro-rated basis and this Permit shall terminate. Should PERMITTEE fail to remove the Personal Property or Personal Belongings, or fail to restore the Premises to as nearly as is reasonably practical to its pre-lease condition, then PERMITTOR may do so and charge PERMITTEE, all at PERMITTEE's sole cost and expense, and in such event, PERMITTOR shall be entitled to collection costs and reasonable attorney fees, even if enforced by the Office of the Attorney General.

6.2. In the event of any adverse lien, cloud, claim, mortgage, deed of trust or lien interest of any kind claiming a specific monetary amount, including costs and attorney fees and costs on appeal, or any action, potential claim or threatened action by any party against PERMITTEE which could result in any amount that could constitute a lien or claim for lien on the land that constitutes the Premises PERMITTEE's leasehold interest, or the Personal Property as shown by the title commitment in the sole discretion of PERMITTOR (collectively, the "Encumbrances"), then PERMITTOR shall take all necessary and appropriate action for the title company to be able to remove and delete the Encumbrances from the title to PERMITTOR's satisfaction in PERMITTOR's sole discretion.

6.3. PERMITTEE may terminate this PERMIT upon notice in writing to PERMITTOR sent via certified mail, return receipt requested, provided that, PERMITTEE is current on all obligations owed to PERMITTOR, and the Personal Property has been removed from the Premises and the Premises has been restored to its pre-lease condition as set forth in this paragraph. The termination will take effect immediately upon written verification of the above requirements by PERMITTOR.

7. SALE AUCTION APPLICATION BY THIRD PARTY. If, a third party potential purchaser ("Applicant") of the Premises and the Personal Property completes PERMITTOR's Auction Application Agreement packet with PERMITTOR, as more thoroughly set forth in paragraph 7.6 below, and pays the required fees, including but not limited to payment of the \$1,000.00 application fee and an \$800.00 title commitment fee, and the application to purchase culminates in a sale of the Premises and Personal Property, then PERMITTEE shall not be required to remove the Personal Property, in accordance with paragraph 6, prior to the end of the term of this PERMIT .

7.1. Applicant will be required to agree to purchase PERMITTEE's Personal Property that remain on the Premises. The value for the Personal Property agreed to by PERMITTEE and Applicant shall be binding upon PERMITTEE in the event anyone other than Applicant is the successful bidder at auction of the Premises. PERMITTEE and Applicant must submit a copy of such agreement to PERMITTOR. If the agreed upon amount is equal to or less than the most recent value established for the tax assessment on the personal property, then no appraisal will be conducted. PERMITTEE shall be deemed to have waived PERMITTEE's right to the appraised value of the Personal Property pursuant to Idaho Code Section 58-313.

If the agreed upon amount exceeds the most recent value established for the tax assessment on the personal property, then an appraisal of the Personal Property will be performed at APPLICANT's cost as part of the application fee. The appraisal must be final and accepted by PERMITTOR no more than 45 days prior to the sale auction in order for the sale auction to be conducted. If an appraisal of the Personal Property is conducted, PERMITTEE shall not contest or otherwise challenge the appraised value of the Personal Property located on the Premises.

7.2. At the time of application, APPLICANT will be required to provide an executed Bill of Sale in the form required by the PERMITTOR conveying the Personal Property to any successful bidder at a sale auction. PERMITTOR shall hold the Bill of Sale until the time of such auction. If such auction does not occur, PERMITTOR will destroy the Bill of Sale.

7.3. Within 30 days of PERMITTOR's receipt of a completed application for sale auction, including all required fees, PERMITTOR shall refund the \$800.00 title commitment fee to PERMITTEE.

7.4. In the event of any adverse lien, cloud, claim or encumbrance on title to the land, the leasehold interest or the Personal Property, as shown by the title commitment in the sole discretion of PERMITTOR, then the Premises and the Personal Property shall not be eligible for sale auction unless PERMITTEE provides reasonable assurance acceptable to PERMITTOR, in PERMITTOR's sole discretion, that PERMITTEE has taken or will take all necessary and appropriate action for the title company to be able to remove any such adverse lien, cloud, claim or encumbrance on title, and all such adverse liens, claims, clouds or encumbrances on title shall be removed no later than 45 days prior to such auction to such degree that all such adverse liens, claims, clouds or encumbrances shall be removed and deleted from any title policy which may issue for the Premises upon a successful closing of a sale of the Premises following auction, and satisfactory to PERMITTOR in PERMITTOR's sole discretion.

7.5. In the event that the title commitment shows any mortgage, deed of trust or lien interest of any kind claiming a specific monetary amount, including costs and attorney fees and costs on appeal, or any action, potential claim or threatened action by any party against PERMITTEE which could result in any amount that could constitute a lien or claim for lien on the land that constitutes the Premises, PERMITTEE's leasehold interest, or the Personal Property (collectively, "Security Interests"), then, in order for the Premises and the Personal Property to be eligible for sale auction, PERMITTEE shall first provide to PERMITTOR, a written agreement with any and all such lienholders, satisfactory to PERMITTOR in PERMITTOR's sole discretion, that all such lienholders expressly agree to release and or re-convey the Security Interests in the Premises, the land, the leasehold estate and the Personal Property, on such terms as PERMITTEE and lienholders shall agree. No later than 45 days prior to the date of such auction, PERMITTEE shall provide PERMITTOR with any necessary, appropriate and acceptable fully executed releases and deeds of reconveyance or such other appropriate documentation from all such lienholders, to be held by PERMITTOR and to be recorded at the time of closing of the sale. Either the release and reconveyance, or the accompanying instructions from lienholders, must state the amount, if any, to be paid by PERMITTEE for such release and reconveyance, which amounts can be fully paid upon receipt of either the appraised or agreed value of the Personal Property to which PERMITTEE has agreed for the sale of the Personal Property.

7.6. Applicant will be required to complete an Auction Application Agreement packet with PERMITTOR, and pay the required fees, including but not limited to, payment of the \$1,000.00 application fee and an \$800.00 title commitment fee. PERMITTEE will be required to enter into a License Agreement with PERMITTOR's agent, allowing the agent to market the property.

7.7 For applications received prior to July 1, 2016, the auction, if any, will be conducted in 2016. If PERMITTOR receives applications for more lots than can reasonably be conducted on the foregoing schedule, taking into account PERMITTOR's resources, then PERMITTOR reserves the right to create a process for assigning lots to additional or alternative auction dates, and will notify affected Applicants of such process. All auctions require Land Board approval.

7.8. This PERMIT will terminate upon the closing of any such sale.

8. LEASE APPLICATION BY THIRD PARTY. If PERMITTOR receives a completed lease application for the Premises from a third party prior to June 30, 2017, including payment of required fees and agreement to purchase the Personal Property and such application culminates in the execution of a long-term lease for the Premises and payment of rent and consideration for the Personal Property in accordance with the long-term lease and Idaho Code Section 58-308, then PERMITTOR shall not be required to remove the Personal Property as set forth in paragraph 6, provided however, that if the application to lease does not culminate in the execution of a long-term lease of the Premises, then PERMITTEE shall remove the Personal Property and restore the Premises to its pre-lease condition, in accordance with paragraph 6, prior to the end of the term of this PERMIT. PERMITTOR will advertise such lease for conflict applications.

8.1. If PERMITTOR receives a completed lease application for the Premises from a third party prior to June 30, 2017, then in the event of any adverse lien, cloud, claim or encumbrance on title to the land, the leasehold interest or the Personal Property, as shown by a title commitment and/or PERMITTOR's land records, in the sole discretion of PERMITTOR, then the Premises and the Personal Property shall not be eligible for lease auction unless PERMITTEE provides reasonable assurance acceptable to PERMITTOR, in PERMITTOR's sole discretion, that PERMITTEE has taken or will take all necessary and appropriate action to remove any such adverse lien, cloud, claim or encumbrance on title, and all such adverse liens, claims, clouds or encumbrances on title shall be removed no later than 45 days prior to such auction to such degree that all such adverse liens, claims, clouds or encumbrances shall be removed, satisfactory to PERMITTOR in PERMITTOR's sole discretion.

8.2. This PERMIT shall terminate upon such execution of a long-term lease, payment and payment by the third party of rent to PERMITTOR and evidence of payment to PERMITTEE for the Personal Property, in accordance with Idaho Code Section 58-308.

9. NO RIGHT TO LEASE OR BUY PREMISES. By executing this PERMIT, PERMITTEE hereby waives any right to lease or to enter a bid for the lease or purchase of the Premises at auction, along with any right to have a third party place a bid on behalf of PERMITTEE. For applications received prior to July 1, 2016, the auction, if any, will be conducted in 2016. If PERMITTOR receives applications for more lots than can reasonably be conducted on the foregoing schedule, taking into account PERMITTOR's resources, then PERMITTOR reserves the right to create a process for assigning lots to additional or alternative auction dates, and will notify affected Applicants of such process. All auctions require Land Board approval.

10. NO LIENS ON THE PREMISES. PERMITTEE shall ensure that full payment is made for any and all materials joined or affixed to the Premises pursuant to this PERMIT and for any and all persons who perform labor on the Premises at the request or on account of PERMITTEE. With the exception of previously approved deeds of trust or mortgages, PERMITTEE shall not permit or suffer any liens, including any mechanics' lien or material supplier lien, of any kind or nature to be effected on or enforced against the Premises for any work done or materials furnished on the Premises during the term of this PERMIT at

PERMITTEE's instance or request, provided that PERMITTEE may contest such lien if PERMITTEE posts a bond as required by law.

11. CONDITION OF PREMISES AND PERSONAL PROPERTY. During the term of this PERMIT, PERMITTEE shall maintain the Personal Property in good condition and repair and shall keep the same in a sightly manner. PERMITTEE shall not make any alterations to the land or the Personal Property during the term of this PERMIT without the prior written permission of PERMITTOR.

12. PERMITTEE'S INSURANCE POLICY REQUIREMENTS.

12.1. If available, a Homeowner's 3 (HO3), its equivalent or better including Liability Insurance policy: PERMITTEE shall maintain an HO3 policy, its equivalent or better, with a liability limit of not less than one million dollars (\$1,000,000.00) if the combined value of the Premises and Personal Property and Non-Approved Personal Property are \$1,000,000 or less, and \$2,000,000 if the combined value of the Premises and Personal Property and Non-Approved Personal Property exceed \$1,000,000. If an HO3 policy is unavailable for the Premises due to lack of access for fire suppression services, or otherwise, PERMITTEE shall provide PERMITTOR with a statement from its insurer stating specific reasons an HO3 policy is unavailable for the Premises, and, in such event, PERMITTEE shall acquire an HO2 policy, its equivalent or better, in the same limits as set forth above for an HO3 policy. If neither an HO3 or HO2 policy is available, then PERMITTEE shall provide PERMITTOR with a statement from its insurer stating specific reasons neither an HO3 or HO2 policy is unavailable for the Premises, and, in such event, PERMITTEE shall acquire such other type of policy as deemed acceptable to PERMITTOR, in the same limits as set forth above for an HO3 policy. If necessary, an umbrella policy may be used in combination with the homeowner's policy to meet the limits required, providing the homeowner's policy is listed on the underlying insurance in the umbrella, and the umbrella policy meets the requirements below.

12.1.a. The Homeowner's insurance and umbrella liability insurance shall be in a form and from an insurance company satisfactory to PERMITTOR and shall cover liability for bodily injury, property damage and personal injury, arising from PERMITTEE's use and/or occupation of the Premises.

12.1.b. The Homeowner's insurance shall include coverage for the replacement cost of the real property and all Personal Property, Non-Approved Personal Property and Personal Property located on the Premises. PERMITTOR shall be included as a loss payee to the extent of its interest in any of the Personal Property upon the Premises.

12.1.c. PERMITTEE shall purchase insurance to cover PERMITTEE's Personal Belongings.

12.2. All insurance required under this PERMIT shall be with companies licensed and admitted in Idaho and approved for this PERMIT by PERMITTOR. PERMITTOR's general requirements for such approval include a Best's rating of A- or better. Prior to taking occupancy or commencing construction and at least annually thereafter, PERMITTEE shall furnish PERMITTOR with a certificate of insurance executed by a duly authorized representative of each insurer, together with a copy of each applicable policy and policy endorsement showing compliance with the insurance requirements set forth above ("proof of insurance"). All policies required under this Article shall be written as primary policies and not contributing to, not in excess of, any coverage PERMITTOR may have or choose to maintain.

12.3. All policies and endorsements shall provide for thirty (30) days written notice to PERMITTOR, if possible, prior to cancellation or material change of any insurance referred to therein. Notwithstanding any such notice provided by the insurance carrier to PERMITTOR prior to any cancellation or material change of any insurance, PERMITTEE agrees to promptly (but not later than ten (10) days), provide to PERMITTOR a copy of any and all such notices relative to cancellation or a material change in insurance coverage that PERMITTEE receives.

12.3.a. Failure of PERMITTOR to demand any required proof of insurance or full compliance with these insurance requirements, or the failure of PERMITTOR to identify a deficiency in the proof of insurance provided shall not be construed as a waiver of PERMITTEE's obligation to maintain such insurance.

12.3.b. Failure to maintain the required insurance shall constitute a breach and may result in termination of this PERMIT at PERMITTOR's option.

12.3.c. If PERMITTEE fails to maintain the insurance as required herein, PERMITTOR shall have the right, but not the obligation, to purchase said insurance at PERMITTEE's expense.

12.2.d. PERMITTEE shall provide certified or other acceptable copies of all insurance policies and endorsements (preferably in readily accessible electronic format) required above within ten (10) days of PERMITTOR's written request for said copies.

12.4. By requiring insurance herein, PERMITTOR does not represent that coverage and limits will necessarily be adequate to protect PERMITTEE and such coverage and limits shall not be deemed as a limitation on PERMITTEE's liability under the indemnities granted to PERMITTOR in this PERMIT.

12.5. PERMITTEE shall pay all policy premiums annually in advance, for each of the insurance policies and endorsements required under the terms of this PERMIT. PERMITTEE shall deliver to PERMITTOR proof of insurance on or before January 1 of each year during the term of this PERMIT and for each year following the termination or expiration of this PERMIT in which PERMITTEE owns or claims any ownership interest in any Personal Property, Non-Approved Personal Property or Personal Belongings on the Premises. PERMITTEE shall also cause renewals of expiring policies to be written and the policies or copies thereof, as required by this PERMIT, to be delivered to PERMITTOR at least ten (10) days before the policies' expiration dates.

13. INDEMNIFICATION. During the entire term of this PERMIT, PERMITTEE shall indemnify, defend and save harmless PERMITTOR, the State of Idaho, its officers, agents, respective affiliates, and employees from and against any and all liability, liens, claims, damages, debts, demands, losses, costs, expenses, actions, obligations, judgments for damages, or injury to persons or property including, but not limited to, reasonable attorney fees and costs caused by, or arising out of, or claimed to arise out of, or in connection with, any performance, act or omission of PERMITTEE, or PERMITTEE's agents, officers, employees or any person claiming under, by, or through PERMITTEE under this PERMIT, and/or arising out of or claimed to arise out of the use or occupation of the Premises by PERMITTEE, or PERMITTEE's agents, officers or employees or any person occupying the same with PERMITTEE's permission; or arising from PERMITTEE or PERMITTEE's agents, officers or employees failure to comply with any applicable state, federal, local, law, statute, rule, regulation, ordinance or act. This duty to indemnify, defend and save harmless shall encompass any claim which may include or allege negligence of PERMITTOR, its agents, officers or employees other than claims which arise solely out of negligence on the part of PERMITTOR; and this duty shall survive the termination or expiration of this PERMIT. In the event of any such claim made or suit filed, PERMITTOR shall give PERMITTEE prompt written notice of any such claim or suit, and PERMITTEE shall have the right to defend or settle to the extent of PERMITTEE's interest under the PERMIT. PERMITTOR shall have the right to defend itself as it deems necessary or appropriate in its sole discretion, and PERMITTEE shall be responsible for all costs and expenses reasonably related thereto. Provided that such indemnification right shall not be construed as absolving the State from responsibility for liability in damages arising under the Idaho Tort Claims Act, I.C. § 6-901, *et seq.*, for the conduct of its agents, officers or employees as set forth therein.

14. TERMINATION FOR PERMITTEE'S DEFAULT. Failure to pay the Permit Fee, the title commitment fee, the demolition costs, or to comply with any term or condition of this PERMIT or any amendment hereof, may result in the immediate termination of this PERMIT in PERMITTOR's discretion upon notice to PERMITTEE. In the event of such termination, PERMITTEE shall immediately remove all

Personal Property and restore the Premises to its pre-lease condition as set forth in paragraph 6.

15. TERMINATION BY PERMITTEE. PERMITTEE may terminate this PERMIT upon notice in writing to PERMITTOR sent via certified mail, return receipt requested, provided that, PERMITTEE is current on all obligations owed to PERMITTOR, all deferred amounts have been paid in full with any interest accrued thereon, and the Personal Property has been removed from the Premises and the Premises has been restored to its pre-lease condition as set forth in paragraph 6. The termination will take effect immediately upon written verification of the above requirements by PERMITTOR.

16. PAYMENT OF TAXES, ASSESSMENTS OR FEES. Unless otherwise provided, PERMITTEE shall pay all water charges, fees, assessments and taxes of whatsoever nature that may be legally levied or assessed against the Premises herein described, or any portion thereof or on any and all Personal Property, Non-Approved Personal Property or Personal Property thereon. If the same is not paid, such failure shall constitute a default under the PERMIT and shall further constitute a lien in favor of PERMITTOR against all Personal Property and Non-Approved Personal Property owned by PERMITTEE on the Premises. If PERMITTEE retains any interest in any of the Personal Property and Non-Approved Personal Property following the expiration or termination of the PERMIT for any reason, PERMITTEE shall continue to be responsible for, and shall pay, all taxes and assessments of any kind incurred upon, or accruing to, any such Personal Property and Non-Approved Personal Property.

17. ENVIRONMENTAL, SAFETY AND SANITARY REQUIREMENTS.

17.1 No Hazardous Materials. PERMITTEE shall neither commit nor permit the use, placement, transport or disposal of any hazardous waste, including petroleum products, such as oil, gasoline, or any other substance that is or is suspected to be a hazardous substance or material, not including the following materials kept for PERMITTEE's own residential use and only in small quantities: gasoline not to exceed fifteen (15) gallons related to the use or enjoyment of their property for uses such as lawnmowers, snow machines and small water craft; kerosene; heating oil; propane tanks or other commercial sources of heating; and other household cleaners; solvents; paints and similar materials not otherwise prohibited by law. PERMITTEE shall be responsible and shall pay all costs for the removal and/or the taking of all other necessary or appropriate remedial action regarding any hazardous waste, substance or material which PERMITTEE may have caused to be introduced to or upon the Premises. Any such remediation or removal or storage must be conducted in accordance with applicable federal, state, or local law, regulation, rule and ordinance, and PERMITTEE shall immediately, upon the introduction of any hazardous waste, substance or material onto the Premises, contact PERMITTOR and the Idaho Department of Environmental Quality (DEQ), provided however, PERMITTEE shall not forestall commencing any necessary remediation while negotiating the terms of any consent order with DEQ unless PERMITTEE is so authorized in writing by PERMITTOR. PERMITTEE shall indemnify, defend and hold PERMITTOR harmless from all costs, expenses, damages or fines relating to pollution and hazardous substances and materials including, without limiting the generality of the foregoing, attorney fees and costs of defense and enforcement of PERMITTOR's rights hereunder.

17.2 Fire and Safety Regulations. PERMITTEE shall comply with all applicable federal, state and local laws, rules, regulations and ordinances, including, but not limited to, those of the Idaho Department of Lands for fire protection and prevention, and shall at all times observe reasonable precautions to prevent fire on the Premises. PERMITTEE agrees to keep the Premises free from fire hazards. Firewood storage shall be confined to a location, away from the Residence. Roofs shall be kept clear of all debris and needles on a regular basis to minimize fire hazard. PERMITTEE is prohibited from burning garbage or household trash. Any burning on the Premises, including the burning of wood, weeds or other debris, but excepting simple campfires necessary for the use under this PERMIT, requires the prior written permission of PERMITTOR. Any burning must comply with all applicable federal, state or local laws, regulations, rules and ordinances. Barbecue devices designed for use out of doors are permitted.

17.3 Sanitary Requirements. PERMITTEE shall at all times keep the Premises in a clean and sanitary condition, free of trash, garbage and litter. PERMITTEE shall not dispose of sewage

except in conformity with all applicable federal, state, and local laws, rules, regulations and ordinances pertinent to PERMITTEE's use, and shall dispose of sewage on the Premises only if specifically authorized by PERMITTOR and the local governmental which would otherwise have jurisdiction over such matters. PERMITTEE shall not store, dispose of, or otherwise maintain trash, garbage, litter, unused or discarded household items, or unlicensed or abandoned vehicles, boats or trailers on the Premises, and shall dispose of all such trash, garbage or other items in conformity with all legal requirements. PERMITTEE shall be responsible for all costs associated with sewage, garbage and litter disposal. PERMITTOR may require PERMITTEE to furnish a certificate or other satisfactory proof of compliance with applicable laws, rules, regulations and ordinances.

18. NO WARRANTY OF SUITABILITY; QUIET ENJOYMENT.

18.1 No Warranty. PERMITTEE acknowledges that neither PERMITTOR, nor any agent of PERMITTOR has made any representation or warranty with respect to the Premises or concerning the suitability of the Premises for the uses intended by PERMITTEE, or concerning any access or the condition of such access to the Premises. PERMITTEE acknowledges that it has accepted the Premises together with access thereto in an AS IS CONDITION, accepting any and all known and unknown faults therein.

18.2 Quiet Enjoyment. PERMITTOR agrees that PERMITTEE, upon payment of the rent and performing the terms of this PERMIT, may quietly have, hold and enjoy the Premises, for the purposes and uses allowed hereunder during the term hereof. PERMITTEE acknowledges that the PERMIT is non-exclusive, and PERMITTOR retains the right to use the Premises, or to grant rights to others for use of the Premises, or to authorize the public to use the Premises, to the extent any such use is not incompatible with PERMITTEE's purpose and uses allowed hereunder.

18.3 Use Limited to Site. PERMITTEE shall confine all Personal Property, Non-Approved Personal Property and Personal Belongings, vehicles, and pets to the Premises. No trespass onto adjacent property, whether state land or private, will be permitted and may result in the termination of this PERMIT.

19. REMOVAL OF HAZARD TREES. The identification and felling of any Hazard Tree on the Premises is the responsibility of PERMITTEE. Following the identification of any Hazard Tree, and prior to the felling thereof; PERMITTEE shall obtain the express written consent of PERMITTOR; provided however, that PERMITTEE may take immediate action to remove any hazardous tree that poses immediate danger to life or property without first contacting PERMITTOR, but shall so notify PERMITTOR within five (5) days thereafter.

20. NOXIOUS WEEDS. PERMITTEE shall cooperate with PERMITTOR or any other agency authorized to undertake programs for the control and eradication of noxious weeds. PERMITTEE shall take measures to control noxious weeds on the Premises in accordance with Title 22, Chapter 24, Idaho Code.

21. RESERVATIONS BY PERMITTOR

21.1 PERMITTOR expressly reserves and excepts the following rights from the PERMIT:

21.1.a. To enter upon the Premises, or any portion thereof, during the term of this PERMIT for any reasonable purpose incident to this PERMIT or PERMITTOR's retained rights, including the purpose of inspecting the Premises. PERMITTEE shall permit inspection of the Premises by an authorized agent of PERMITTOR at any reasonable time.

21.1.b. All rights for timber, oil and gas, geothermal rights, mineral rights, easements and rights-of-way, fee title to the Premises and title to all appurtenances and Personal Property placed thereon by PERMITTOR.

21.1.c. To grant easements, rights-of-way, and leases over, under, across and upon the

Premises, providing said easements, rights-of-way, and leases do not conflict or materially interfere with the use of PERMITTEE or with the Personal Property installed, maintained or operated by PERMITTEE upon the Premises. PERMITTOR shall coordinate with PERMITTEE before processing any easement, right-of-way or lease application on the Premises. This PERMIT is subject to any lease, right-of-way and easement previously granted over the Premises.

21.1.d. To require that changes be made in the use under this PERMIT, and/or to the Personal Property, Non-Approved Personal Property or Personal Property on the Premises, including to the sanitation or other facilities, for the protection of public health, safety, preservation of property or water quality in accordance with all applicable law and rules.

21.1.e. To issue leases for development of timber resources for exploration and development of oil, gas, geothermal and mineral resources, and any other lease of the subject Premises, so long as such lease is for a higher and better use as determined by PERMITTOR, or such lease does not materially interfere with the authorized use under this PERMIT. In the event any such lease is granted by PERMITTOR, and such lease materially impairs PERMITTEE's use of any Personal Property constructed on the Premises by PERMITTEE with prior written permit from PERMITTOR, this PERMIT shall be deemed terminated with respect to such Personal Property, and the provisions of paragraph 6 shall apply with respect to such Personal Property.

21.1.f. To reserve as PERMITTOR's sole property any and all water from any source arising on state land and to hold water rights for any beneficial use that may develop as a result of this PERMIT subject to any right PERMITTEE may have to domestic water during the term of this PERMIT.

21.1.g. Rights of access, ingress and egress over, under, across and upon the Premises for PERMITTOR and its authorized agents and assigns over and across the Premises including, but not limited to, on existing roads. Said rights of access, ingress and egress may be for purposes of administration, for providing access to neighboring lots, or for any other purpose of PERMITTOR. PERMITTOR shall have no obligation to maintain any road or path, whether dirt, gravel, paved or otherwise.

21.1.h. PERMITTOR reserves the right to sell or exchange all or any portion of the Premises. PERMITTEE shall be notified of a scheduled sale or land exchange at least one hundred-eighty (180) days prior to any such sale or exchange date. The execution of this PERMIT by PERMITTEE constitutes PERMITTEE's written agreement to any sale or land exchange as provided in I.C. § 58-138(3).

21.1.i. PERMITTOR reserves the right to reconfigure the boundaries of the Premises for any purpose that PERMITTOR deems necessary or appropriate, in its discretion, including, but not limited to, the platting or re-platting the Premises and/or surrounding any lot(s) or land. The right of reconfiguration shall include the right to increase or decrease the square footage of the Premises which may or may not also include a commensurate increase or decrease in the rental rate to be determined in the discretion of the Land Board. PERMITTEE shall be notified of PERMITTOR's intent to reconfigure the Premises at least one hundred-eighty (180) days prior to any such reconfiguration being accomplished. The Permit Fee shall be adjusted up or down to account for the reconfigured boundaries if the reconfiguration affects the value of the Premises during the year of the reconfiguration, and if the value of the Premises is reduced as a result of such reconfiguration, then the rent will be prorated to reflect the reduction of value for the remainder of such current lease year; and if the value of the Premises is increased as a result of such reconfiguration, then PERMITTEE shall pay such increased rental rate prorated for the remainder of such current lease year within thirty (30) days of notice of such increased rental by PERMITTOR. The execution of this PERMIT by PERMITTEE constitutes PERMITTEE's written agreement to any such reconfiguration.

21.1.j. PERMITTOR reserves the right to close any road or change any access route to the Premises for road protection, water quality protection, wildlife and fish protection, administrative purposes or any other reason deemed necessary or appropriate by PERMITTOR. Planned road closures will be reviewed with PERMITTEE prior to action by PERMITTOR. If an access route is closed permanently, another reasonable access route will be provided to the Premises. Temporary road closures may prevent, limit or restrict access for a period of time.

22. AMOUNTS DUE ARE A LIEN ON PERSONAL PROPERTY AND PERSONAL BELONGINGS.

The amount of the unpaid Permit Fee, late charge, and interest, together with all other amounts due and owing by PERMITTEE to PERMITTOR pursuant to this PERMIT, shall be a lien on PERMITTEE's Personal Property and Non-Approved Personal Property and Personal Belongings on the Premises which shall have priority over all other liens, mortgages, deeds of trust, security interests, encumbrances or other similar instruments or transactions.

23. NOTICES.

23.1. Time of Notice. Any notice or demand given under the terms of this PERMIT shall be deemed given and delivered on the date when personally delivered or if mailed, the date same is deposited in the United States Mail, and mailed by registered or certified mail, return receipt requested, postage prepaid and properly addressed to the appropriate party.

23.2. Addresses For Notice. Until changed by notice in writing, all notices, demands, and communications shall be addressed to PERMITTOR, or to PERMITTEE, as the case may be, at the address set forth for the respective party at the beginning of this PERMIT. It shall be the duty and responsibility of either PERMITTOR or PERMITTEE to provide formal notice to the other of any new or changed address.

24. ATTORNEY FEES AND COSTS.

24.1. Obligation to Pay. In the event that either party to this agreement shall find it necessary to retain counsel (including PERMITTOR using the Office of the Attorney General of the State of Idaho), or to incur costs to interpret or enforce any of the provisions hereof, including, but not limited to, any action at law or in equity, the prevailing party (as defined and interpreted under Idaho Rule of Civil Procedure 54) shall be entitled to recover from the opposing party all costs and expenses, including reasonable attorney fees (including, in the case of PERMITTOR, fees of the Office of the Attorney General of the State of Idaho), accountant fees and fees of appraisers or other experts, incurred therein by the prevailing party, including all such costs and expenses incurred with respect to any appeal and such may be included in any judgment entered in any action.

24.2. Additional Obligations. In the event PERMITTEE fails to perform any act or do anything which PERMITTEE is required to do under the terms of this PERMIT, PERMITTOR shall have the right, but not the obligation, to perform any such action on behalf of PERMITTEE, and PERMITTEE shall reimburse PERMITTOR for all costs and expenses, including attorney fees, (including fees from the Office of the Attorney General of the State of Idaho), incurred by PERMITTOR in performing such act or thing, with such reimbursement made within thirty (30) days of written demand for payment by PERMITTOR. PERMITTEE's obligation hereunder shall be deemed to be additional rent fully due and payable on demand from PERMITTOR. Any time money is due and owing and interest accrues pursuant to the terms of this PERMIT, interest shall accrue at the legal rate of interest pursuant to Idaho Code § 28-22-104(1).

25. PERMITTEE's COMPLIANCE WITH APPLICABLE LAWS AND RULES.

25.1. Full Compliance. PERMITTEE's use of the leased Premises shall fully comply with all applicable statutes, ordinances, rules, regulations and laws of federal, state and local governmental authorities. PERMITTEE shall comply with all applicable rules and regulations and standards promulgated by the State Land Board or the Idaho Department of Lands including, but not limited to,

the Department's rules governing the installation of docks and other lake encroachments below the ordinary high water mark of any navigable lake.

25.2. No Waste or Nuisance. PERMITTEE shall not use the leased Premises in any manner that would constitute loss or waste, nor shall PERMITTEE allow the same to be committed thereon. PERMITTEE shall not do anything which will create a nuisance or a danger to persons or property.

25.3. Compliance with CC&Rs. PERMITTEE shall be obligated to comply with the terms and conditions set forth in the CC&Rs, if any, including by reference any instrument identified therein. Upon the execution of this PERMIT, PERMITTEE shall automatically become a "Member" of the *homeowner's association (Association)* defined in the CC&Rs, established to operate and maintain certain properties and facilities within the "Plat" as defined therein, and PERMITTEE shall be obligated as a Member to such terms and conditions set forth and required in the CC&Rs. Any breach of the terms or conditions of the CC&Rs shall constitute a breach of this PERMIT.

25.4. Interference with Application, Auction or Bid Process. Neither PERMITTEE, nor any person or entity acting on PERMITTEE'S behalf shall intimidate, hinder, prevent or attempt to intimidate, hinder or prevent, any person from 1) filing an application to lease or to purchase the Premises or to enter any bid therefor, and/or 2) attending or submitting any bid at any public auction held to lease or purchase any land consisting of, or including the Premises, or any portion thereof. Violation of this Section or any provision of Idaho Code § 58-154 shall constitute a breach of this PERMIT subject to immediate termination, and PERMITTEE shall be disqualified from bidding on any future auction for the sale or lease of the Premises.

26. MISCELLANEOUS.

26.1. Multiple Persons Constituting PERMITTEE. If PERMITTEE consists of more than one natural person, each such person constituting PERMITTEE shall be jointly and severally liable for each and every obligation of PERMITTEE under the terms and conditions of this PERMIT.

26.2. Modification. This PERMIT may be modified only by a fully executed lease adjustment on a form provided by PERMITTOR.

26.3. Parties Non-Discrimination. No party shall discriminate against any person because of race, creed, religion, color, sex, national origin or disability.

26.4. Paragraph Headings. The paragraph headings, titles and captions used in this PERMIT are for convenience only and are not part of the PERMIT.

26.5. Entire Agreement. This PERMIT, including all exhibits or attachments attached hereto, contains the entire agreement between the parties concerning the subject matter hereof and supersedes any and all prior agreements. The execution of this PERMIT has not been induced by either party, or any agent of either party, by representations, promises or undertakings not expressed herein and, further, there are no collateral agreements, stipulations, covenants, promises, inducements or undertakings whatsoever between the respective parties concerning this PERMIT except those which are expressly contained herein. No other understanding, whether oral or written, whether made prior to or contemporaneously with this PERMIT, shall be deemed to enlarge, limit, or otherwise effect the operation of this PERMIT.

26.6. Governing Law and Forum. This PERMIT shall be construed in accordance with and governed by the laws of the State of Idaho. In the event of any dispute with respect to this PERMIT, the parties consent to the venue and jurisdiction of Idaho State courts located in Ada County, or in either Valley County or Bonner County, the county in which the leased Premises are located.

26.7. Binding on Heirs and Successors. It is understood and agreed that all terms, covenants and conditions hereof shall be binding upon all heirs and approved successors, if any.

26.8. Severability. In the event any provision of this PERMIT shall be held invalid or

unenforceable according to law, for any reason whatsoever, then the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired.

26.9. Counterparts. This PERMIT may be executed in any number of counterparts, each of which shall be deemed to be an original, but all of which together shall constitute but one and the same instrument.

26.10. Sovereign Immunity. Nothing in this PERMIT shall be deemed a waiver of sovereign immunity, which immunity is hereby expressly reserved.

26.11. No Assignment. This PERMIT is not assignable or subject to conflict auction.

26.12. No Waiver. The waiver by PERMITTOR of any breach of any term, covenant or condition of this PERMIT shall not be deemed to be a waiver of any past, present or future breach of the same or any other term, covenant or condition of this PERMIT. The acceptance of rent by PERMITTOR hereunder shall not be construed to be a waiver of any violation of any term, covenant or condition of this PERMIT. No payment by PERMITTEE of a lesser amount than due according to the terms of this PERMIT shall be deemed or construed to be other than a part payment on account of the most recent rent due, nor shall any endorsement or statement on any check or letter accompanying any payment be deemed to create an accord and satisfaction.

26.13. Relations Of The Parties. PERMITTEE is not an officer, employee, or agent of PERMITTOR.

THIS PERMIT IS ISSUED upon the promises and covenants made by PERMITTEE and the terms and conditions set forth herein this day of , 2015.

PERMITTEE:

NAME

Dated:

PERMITTEE:

NAME

Dated:

STATE OF IDAHO)
):s
COUNTY OF _____)

On this day _____ of _____, in the year _____, before me, a Notary Public in and for said State, personally appeared _____, known or identified to me to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that said person(s) executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and seal on the day and year last above written.

(SEAL)

Notary Public for Idaho
Residing at: _____
Commission expires: _____

STATE OF IDAHO)
):s
COUNTY OF _____)

On this day _____ of _____, in the year _____, before me, a Notary Public in and for said State, personally appeared _____, known or identified to me to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that said person(s) executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and seal on the day and year last above written.

(SEAL)

Notary Public for Idaho
Residing at: _____
Commission expires: _____

PERMITTOR:

IDAHO DEPARTMENT OF LANDS

BUREAU CHIEF
ENDOWMENT LEASING